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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, :
: Plaintiff, : 19 Civ. 09439 (PKC)
: :
: - against - : ECF Case
: :
TELEGRAM GROUP INC. and TON ISSUER INC. :
: :
: Defendants. :
: :
----- X

DECLARATION OF [REDACTED]

I, [REDACTED], pursuant to 28 U.S.C. § 1746, declare:

1. I am the [REDACTED] [REDACTED]

[REDACTED], an entity that manages [REDACTED]-headquartered venture capital funds operating under the name of [REDACTED]. As part of my job responsibilities, I am familiar with the transactions discussed below.

2. Having learned of the opportunity in early January 2018, [REDACTED] ("Fund") entered into a purchase agreement with TON Issuer Inc. and Telegram Group Inc. ("Telegram") on or around February 6, 2018, agreeing to pay \$ [REDACTED] for an allocation of Grams that would be issued at a future date ("Purchase Agreement"). On or about February 7, 2018, the Fund wired \$ [REDACTED] to Telegram. Before entering into the Purchase Agreement, [REDACTED] personnel received documents provided by Telegram, including Telegram's technical white paper, a primer document regarding the TON network, a process memorandum, KYC form and a summary of potential risk factors. [REDACTED] personnel participated in at least one in-person meeting and multiple phone calls with the Telegram team, and I personally was present on one of those phone calls.

3. [REDACTED]'s decision to enter into the Purchase Agreement was based in part on the strength of Telegram's leadership team and the past success of Telegram's Messenger platform. [REDACTED] anticipated that Telegram would remain involved in the development of the TON network after it was launched.

4. [REDACTED] personnel prepared a highly confidential internal memorandum dated [REDACTED], pertaining to the Purchase Agreement, which I reviewed prior to [REDACTED]'s decision to enter into the Purchase Agreement.

5. On [REDACTED], the Fund entered into a second purchase agreement with TON Issuer Inc. and Telegram, agreeing to pay \$[REDACTED] for another allocation of Grams that would be issued at a future date ("Second Purchase Agreement" and together with the Purchase Agreement, "Purchase Agreements"). [REDACTED] understood, in part based on communications from Telegram around the time of the Second Purchase Agreement, that the TON network development was progressing in a manner consistent with Telegram's earlier communications regarding the TON network.

6. The Purchase Agreements gave [REDACTED] the right to receive Grams at a future date. At the time [REDACTED] entered into the Purchase Agreements, [REDACTED] did not have a defined plan with respect to the potential future sale of Grams, and [REDACTED] anticipated that facts and circumstances would dictate those decisions. [REDACTED] hoped for an increase in the value of Grams and an opportunity to eventually sell Grams if the value increased. I do not believe that [REDACTED] intended to use Grams as currency or for consumptive purposes. I am not aware of any inquiry by Telegram prior to execution of the Purchase Agreements regarding what [REDACTED] intended to do with Grams once they were distributed or whether [REDACTED] intended to act as a validator for the TON network, and I do not believe that [REDACTED] intended to act as a validator for the TON network.

7. [REDACTED] has not received any Grams to date and has not sold any interest in Grams.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 13, 2020 in [REDACTED]

